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February 20, 2001

The Honorable Neil Schuerer and the Honorable Scott Raecker, Co-Chairs
Administration and Regulation Appropriations Subcommittee

Dear Senator Schuerer and Representative Raecker:

Recently my office received an inquiry about the impact of a 5% reduction in our FY01 budget and the impact of a FY01 deappropriation of the under-budget personnel services reflected on our Schedule 9.

Either of the above actions, by itself, would create great hardship for the treasurer's office. Every dollar appropriated to the office is committed to performing the services described in the handout provided to the subcommittee earlier this month. The bottom line is there is no room for budget cuts without cuts in service.

The treasurer's office prides itself on being fiscally conservative. Although our responsibilities have expanded, the treasurer's office has not asked for an increase in our operating appropriation for nine years. In just the last year, for example, the treasury assumed responsibilities related to the Vision Iowa program and the Tobacco Settlement Authority without additional funding.

Essentially, the result of cuts in funding at this point would require cuts in staffing, since personnel services comprises more than 80% of our operating budget. If staff is cut then obviously programs, services, or functions must be cut as well. I would respectfully ask for the subcommittee's direction in identifying areas for reduction.

Sincerely,

A handwritten signature in cursive script that reads "Michael L. Fitzgerald".

Michael L. Fitzgerald
Treasurer of State

TREASURER OF STATE OF IOWA
Activities, FTE's and Funding Sources
January 2001

FUNCTIONAL ACTIVITIES	FTE's	FUNDING SOURCE FY02
<u>Administration</u> > Planning and oversight > Personnel and payroll > Purchasing and inventory > Budget > Board representation - Executive Council - State Records Commission - Iowa Centennial Memorial Foundation - Iowa Grain Indemnity Board - State Appeals Board > Administrative support for Executive Council	4.55	Gen Fund
<u>Cash Management</u> > Receipt processing > Investment of pool balances > Payment of obligations > Redemption of state warrants > Banking service coordination	3.75	Investment Income
<u>Finance</u> > Coordination of state bonding activities > Centralized lease purchasing for state > Pension investment > Linked Investment for Tomorrow (LIFT) - Horticulture and Alternative Crops - Focused Small Business - Rural Small Business Transfer - Traditional Livestock - Value-Added Agriculture > Representation on various boards - Iowa Comprehensive Underground Storage Tank Board - Rate Setting Committee - State Finance Authorities - Tobacco Settlement Authority - VISION Iowa - Iowa Seed Capital Liquidation Corporation - Peace Officers' Retirement Board - State of Iowa Facilities Improvement Corporation > Annual Outstanding Obligations Report	3.8	Gen Fund / Pension funds
<u>Accounting and Systems</u> > General ledger accounting > Account reconciliation > Agency fund administration, accounting, and reporting - Road Use Tax Fund - Underground Storage Tank Program - Executive Council appropriations - Second Injury Fund - Bank Sinking Fund > System development and maintenance	4.1	Gen Fund
<u>Unclaimed Property</u> > Compliance > Remittance processing > Claim processing > Accounting and reconciliation	6.85	Unclaimed Property Fund
<u>College Savings Iowa</u>	2.75	Program Participants